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**Joint Inspection Unit**

# Administrative support services: the role of service centres in redesigning administrative service delivery

## Note by the Secretary-General

**Addendum**

The Secretary-General has the honour to transmit to the members of the General Assembly his comments and those of the United Nations System Chief Executives Board for Coordination on the report of the Joint Inspection Unit entitled "Administrative support services: the role of service centres in redesigning administrative service delivery" (see A/72/299).

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*Summary*

The report of the Joint Inspection Unit entitled "Administrative support services: the role of service centres in redesigning administrative service delivery" (see A/72/299) examines processes that organizations of the United Nations system have used when redesigning the delivery of administrative support services, in particular through the use of centralized service centres.

The present note reflects the views of organizations of the United Nations system on the recommendations provided in the report. The views have been consolidated on the basis of inputs provided by member organizations of the United Nations System Chief Executives Board for Coordination, which welcomed the report and supported some of its conclusions.

# I. Introduction

1. The report of the Joint Inspection Unit entitled "Administrative support services: the role of service centres in redesigning administrative service delivery" examines processes that organizations of the United Nations system have used when redesigning the delivery of administrative support services, in particular through the use of centralized service centres.

# II. General comments

2. Organizations of the United Nations system welcome the report of the Joint Inspection Unit on administrative support services. They welcome its review of the methods and practices of United Nations system organizations for the delivery of administrative support services through the use of shared services and service centres and appreciate its detailed analysis and sound recommendations.

3. While recognizing the value of the report, some organizations found some areas that could benefit from additional analysis or clarity. They note, for instance, that in some places the report presents opinions that could benefit from the inclusion of supporting data, citing as an example the following statement in paragraph 31: "In consolidating service provision, United Nations organizations are heading in the right direction by considering shared (consolidated) services". As this is indicated as a conclusion in the report it was suggested that it could be strengthened through the inclusion of more detailed supportive data.

4. Organizations note that in several places in the report a focus on costs was indicated as a driver for organizations to establish service centres by, for example, moving to low-cost locations, and, to a lesser extent, delivering better quality services. However, it was suggested that it is also important to emphasize a third aspect, that of focusing on liberating talent for more value-adding functions, either strategic or programmatic.

5. Taking note of the review of existing service centres contained in the report, some organizations observe that it was mainly large organizations that implemented centralized service centres, which suggests that such organizations have sufficient internal scale effect to support such a move. If that is the case, it would be useful to clarify options for other organizations which do not possess the scale to proceed on their own, including whether to work together with other smaller organizations to reach the critical mass necessary to create an independent service centre or to join a larger organization's centre. Organizations note that, in the latter case, there are issues that would need to be resolved, such as different enterprise resource planning systems, internal control frameworks (including risks) and the need to establish formal service relationships.

6. Some organizations felt that more information on the cost of the transition from one service model to another would have been useful. In addition, while organizations appreciated the inclusion of the business case and cost-benefit analysis, to some it appeared that the business cases centred mainly on location cost differentials and not so much on efficiency gains obtained.

7. Some organizations observe that the report does not address the way that administrative services are integrated into organizational control frameworks, including any assurances offered on the services provided and, if so, by whom and to whom. It would be especially important to resolve such issues in cases where organizations are providing services to others, as well as in those where the

governing bodies have requested an opinion from their internal audit/oversight services on the governance, risk management and control framework.

8. Finally, some organizations note that recent developments may not have been fully integrated into the report, citing as an example the United Nations Secretariat's continuing roll-out of Umoja.

## III. Specific comments on recommendations

**Recommendation 1**

**The executive heads of organizations that have global service centres should define and provide the tools and systems required to support efficient tracking of customer service and the capturing of business intelligence for performance measurement and further improvement and comparison with benchmarks.**

9. Organizations support the recommendation, noting that, since efficiency and better service quality are two of the key objectives of service centres it is critical to enable tracking of results to constantly monitor performance levels, thereby fostering continuous improvement of efficiency and effectiveness of service delivery.

10. They also note that establishing tools and benchmarks to correctly capture business intelligence for performance measurement can be a complex task, with particular attention needed to the conducting of a thorough business analysis prior to identifying and adopting specific tools and systems. This ensures alignment between business vision, processes and the required tools/systems and, ultimately, helps increase the efficiency and effectiveness of the services provided. Other characteristics that organizations suggest when implementing any proposed solutions include that they not be too costly to maintain, do not add additional work to business units, are easily adjustable and flexible to accommodate changing requirements and are driven by the needs of and owned by the shared service centre itself.

**Recommendation 2**

**The executive heads of organizations that have global service centres should define efficiency benchmarks based on objective standards and ensure that performance targets are progressively adjusted to attain them.**

11. Organizations support the recommendation. They note that benchmarks and performance targets are key to ensuring that the expected benefits of established service centres are realistic and are met. Therefore, under this recommendation, consideration would also need to be given to measures that help improve the effectiveness of the business performed, as efficiency benchmarks do not on their own address the issue of effectiveness, which is considered to be one of the intended impacts of the recommendation. It can also be noted that for really meaningful tracking of customer service levels, it is important that benchmarks are established in advance by, or in close collaboration with, business owners.

**Recommendation 3**

**The executive heads should within a year designate responsibility for pursuing ongoing improvement and for making process changes and ensure that service centre governance and management arrangements make clear the related role of service centre managers.**

12. Organizations support the recommendation. They note the importance of establishing clear governance and management arrangements at the outset, which

avoids uncertainty and confusion between clients and service providers on reporting or delegation of authority.

**Recommendation 4**

**The legislative bodies, in support of their oversight and monitoring functions, should request their technical advisory bodies to examine the results, including benefits realized, of administrative service reform when considering relevant organizational budget proposals, starting with the next budget cycle.**

13. Organizations support the recommendation and agree on the importance of clear, transparent and robust reviews of results of service centres as part of any organizational budget proposal.

**Recommendation 5**

**The General Assembly should, consequent to the current review by the International Civil Service Commission of all categories of staff, take action, if possible at its seventy-second session, to address the needs of organizations for locally recruited professional expertise for functions not limited to national content.**

14. Organizations support the recommendation.